

USAID/Angola

RESULTS REVIEW

AND

RESOURCE REQUEST

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Annex Results Framework, USAID/Angola

Part I. Overview and Major Factors Affecting Program Performance

A. Introduction and Country Setting

Prior to the Lusaka Protocol, Angola had been almost continuously at war for over 30 years. The colonial struggle was followed by civil wars involving the National Liberation Front of Angola [FNLA], the Popular Movement for the Liberation of Angola [MPLA] and the National Union for the Total Independence of Angola [UNITA.] The South-West African People's Organization [SWAPO] and the South African Defence Force used Angola as a battleground in the 1980's and the Soviet Block and the West supported opposing sides in the continuing civil war. The country-wide fighting between UNITA and the Government of the Republic of Angola [GRA] following the collapse of the Bicesse Accords was particularly intense and resulted in most of the deaths and destruction. On November 20, 1994 the Lusaka Protocol was signed. This agreement provided for ceasefire, disarmament of UNITA, formation of a unified army and police force, formation of a government of national unity and the transformation of UNITA from an armed revolutionary movement into a political party. To oversee the peace process, the 7,200-person United Nations Verification Mission for Angola [UNAVEM III] was put in place in 1995.

The war damaged Angola and Angolan society in virtually every way. Overall, 500,000 people died, 3.5 million were internally displaced and hundreds of thousands fled to neighboring Zaire and Zambia. National infrastructure was destroyed or deteriorated through neglect. Gross Domestic Product [GDP] per capita declined from \$820 in 1985 to \$360 in 1996. The social indicators reflect this devastation. Angola is in the throes of an extraordinary social crisis, with extreme impact on Angolan citizens - the displaced, refugees, children and the victims of landmines.

- ✗ gross school enrollment at the primary level is 40% [compared to the African average of 67%]
- ✗ illiteracy is 58% [the sub-Saharan average is 50%]
- ✗ infant mortality is 195/1000 [double the African average]
- ✗ Life expectancy is 45 years
- ✗ There is one doctor for each 17,237 Angolans

Misguided and ineffective attempts at socialist economic planning and centralized decision-making have exacerbated difficulties further compounded by administrative chaos, corruption, hyperinflation and a severe lack of managerial and technical competence. The economic crisis - the result of years of war, unproductive defence and security expenditures at the expense of investment and economic policies uncondusive to growth - has increasingly eroded the balance of payments, and made job-creation in the formal sector impossible. The external debt [\$11.5 billion] amounts to 192% of GDP. Debt service arrears in 1995 stood at \$1.2 billion.

Angola has regressed from a major agricultural exporter to a country where much of the food needs have to be met by humanitarian assistance. Coffee production used to be the

engine of growth in the interior; today 6,000 tons are produced, compared with 240,000 tons in 1974.

Civil society is another casualty of the war. Although never strong, Angola's civil society is now among the weakest in the world. The few civil society institutions and practices which existed during colonial times were discouraged as irrelevant or even inimical to the interests of the socialist state following independence and more recently to the competing ideologies of the warring parties. Political parties other than the MPLA and UNITA are marginalized and powerless; the Parliament is largely a rubber-stamp organization; there are only two viable local NGOs in country; local administrations are not accountable to the citizens; human rights abuses are widespread; and the press is censored and self-censoring.

However, the country has great natural resources: petroleum, diamonds, other minerals, a huge hydro-electric potential and ample arable land. Daily exports of 660,000 barrels of oil account for 97% of export receipts, 90% of budget revenues and 48% of GDP. New deep-water and ultra-deep water blocks will come on stream over the next ten years increasing the significance of oil to the country and the economy. Diamond production is estimated at between \$0.8 and \$1.0 billion annually, and many of the kimberlite pipes have yet to be brought into production.

The "economic indicators" are mixed. GDP growth has averaged 9.4% per annum over the past three years; however this is largely due to increased oil revenues. Investment in the non-extractive sectors has stagnated, as has formal sector job creation. Although inflation has declined precipitously, this is largely due to a build-up of domestic arrears. The IMF has offered Angola an emergency program leading to an Extended Structural Adjustment Facility [ESAF], and although discussions are underway, the outlook at this time is uncertain.

The country is at a key crossroads in its implementation of the Lusaka Protocol. Most observers agree that if Angola does not seize this opportunity to forge a durable peace it will be decades before stability can be reestablished. The UNAVEM III Mission ends at the end of March 1997, after which one peace-keeping battalion will depart each month, leaving 150 troops on the ground in the area formerly covered by a battalion. 100 human rights observers will monitor the withdrawal and the extension of government administration to former UNITA territory. The Government of National Unity and Reconciliation [GURN] is to be sworn in in March 1997, and the same month the UNITA Parliamentarians are to retake their seats. The special status of Jonas Savimbi has been resolved. He will be the head of the largest opposition party [an official government post with rights, appurtenances and responsibilities.] Finally, the demobilization process has begun with the demobilization of child ex-soldiers. A total of 100,000 troops will be going home, 48,700 of them ex-UNITA forces.

B. U.S. Interests

Angola is the United States' third-largest trading partner and second-largest investment site in sub-Saharan Africa. Angola provides seven percent of U.S. oil imports. Trade and investment opportunities in many sectors will grow if a lasting peace is achieved. Peace and economic recovery will allow Angola to join the rest of the southern African region in a march toward stability, democracy, respect for human rights and free market oriented development. The United States also has a humanitarian interest in helping the people of this devastated country put an end to three decades of civil war. Achievement of a durable peace will permit the U.S. to terminate the humanitarian assistance programs that have cost over \$340 million in recent years.

C. Evolution of the Program

The USAID program in Angola has been in transition since 1995. Emergency and humanitarian relief continues to be a major focus. Increasingly, transition and developmental activities are being linked. Transition planning and management is guided by the following principles:

[1] Where there is programmatic link that can be established between relief activities and development opportunities, that link is explicitly defined, and the programmatic activities are reshaped and the implementors are re-tooled. (One example of this is seeds distribution to enable resettlement transitioning into an activity to improve and extend improved seed stock. Another is the shift from free distribution of food to results-oriented food for work.)

[2] Where such linkages cannot be established, the emergency activities will be discontinued, or transitioned to development initiatives funded by other donors. (An example of this is the effort to position U.S.-funded health sector NGOs to participate in long-term health development programs funded by the EU and the World Bank.)

[3] In areas where the humanitarian program has not been operating, new activities will build where possible on the strengths and achievements of the humanitarian efforts, while ensuring that the focus of the new development activities does not become hostage to non-developmental agendas. (For example DG programs build on experience and contacts of humanitarian PVOs.)

1997 will be the first full year of implementation of the new USAID bilateral program. The implementation capacity needed in the form of new operating PVOs and contractors established in country is largely in place. Results to be achieved in the general area of resettlement and rehabilitation will build upon results already achieved, whereas results to be achieved in the democracy and economic restructuring areas will begin to be recorded this year and next.

It should be noted that the progress reported in this document is keyed to the interim strategic objectives that were established in the 1995 strategy document, as refined and updated in the results packages prepared in June-August 1996. In addition to reporting

on those results, in this document we are seeking USAID/Washington approval of the more developmental results framework presented in the Annex.

D. Major Program Achievements

USAID's program supports the overarching U.S. Government objective of furthering the peace process commenced with the Lusaka Protocol. Without doubt, we would have liked to have seen a more deeply rooted commitment to peace on both sides; we would like to have seen actions taken which would have eliminated the possibility of a return to war. Yet given the deep seated animosities that have fueled this conflict for over thirty years, we should be grateful for the cessation of armed conflict and the gradual enlargement of the leadership group, especially those seeking to achieve their objectives peacefully rather than by war. Recognizing that peace remains to be fully achieved, USAID's program, in addition to assisting the war ravaged, has helped make peace a politically viable alternative to continuing the war. USAID's program is helping the demobilized troops prepare for life in civil society: its supporting a number of forums, both political and nonpolitical (working with the Joint Commission, assisting political parties and NGOs) for new leadership.

By any reasonable criteria the USAID emergency/humanitarian program has been successful in achieving the "people-level" impact intended. The most important achievement was keeping hundreds of thousands of Angolans alive during and after the war. Currently an average of 300,000 people get monthly USG-provided food distributions, and global malnutrition rates have decreased from 15.2% in 1994 to 8.7% in 1996. USAID programs have facilitated the resettlement of 306,000 people over the last two years. Over 281,000 families have received seeds and tools as part of that effort. Some 1,149 underage soldiers have been demobilized and transported to their home destinations. USAID funded NGOs have a case load of 820 new cases of children separated from their families. Overall, 1,094 adults have been trained and are assisting in the psycho-social rehabilitation of 33,000 child victims of war. Over 1,150,000 people have been reached by mine awareness training and 600 sappers trained and deployed.

Success is also demonstrated by what did not happen during the dark days of Angola's recent history. Over a million people were displaced and cut off from their means of survival. Yet there was no wholesale starvation, no uncontrolled epidemics and no significant civil disorder or strife caused by the huge influx of people into the cities. Nutritional status and social stability - both in the quartering areas and in the large cities of the interior - has been maintained within acceptable norms. There was little indication of unresolved conflict leading to violence, and indeed USAID-funded PVOs worked at the community level and with local authorities on both sides of the lines on conflict prevention and mitigation with great success. USAID intends to build upon this base of successful conflict management with the program to be implemented in 1997 and in later years.

E. Events Affecting Program Implementation

Implementation of the Lusaka Protocol has been slower than anticipated. The implications of this are:

[1] The GRA and UNITA have yet to shift the focus of their attention and resources from the political and military processes to reconstruction and developmental processes.

[2] USAID/Angola has devoted far more time and resources to the fundamentally political processes of quartering and demobilization than originally anticipated, thereby reducing resources for more mainstream development activities.

Additionally, freedom of movement in the countryside continues to be constrained by various means of control and by increasing lawlessness and banditry. This has significant implications for the willingness of people to resettle and could require the prolongation of the timeframe for the resettlement objective. The increase in lawlessness has even more profound implications for the success of the entire USAID program. The most likely scenario over the next two-three years is that the country will not return to war, but that there will be medium to high levels of instability in many regions of the country. The climate for achieving program objectives is thus expected to remain problematic. As a result, we can anticipate numerous regional set-backs, and generalized difficulties in fostering democratic processes.

The oil and mineral wealth of the country is both a blessing and a scourge. In Angola as elsewhere in the world it promotes vicious rent-seeking economic behavior. Unlike in Mozambique, Angola's warring factions have access to considerable wealth and keep their war machines idling. Assuming that the current peace process will eventually lead to national reconciliation, measures now need to be put in place to ensure that future revenues of extractive industries will benefit a large segment of the Angolan population and not just the elite as is the case today.

The cost of doing business in Angola is abnormally high, on average twice the cost on a level-of-effort-deployed basis as in other countries in the region. Dollar inflation continues to erode the assistance budget; over \$250,000 worth of cars were stolen last year; and the cost of security increases overheads to the detriment of program activities. Caution should be exercised when comparing program assistance levels and outputs/results across countries.

The inability of the GRA to participate meaningfully in the assistance program is likely to create difficulties in later years. Their current posture vis a vis outside assistance is passive: they neither have the interest nor the manpower to participate actively. In addition, they do not demonstrate an acceptable level of accountability for funds. However, their level of interest is expected to increase when UNITA integrates the government and as their resources are freed up to focus on developmental issues. They will not, however, have the staff and managerial resources or acceptable accounting systems to be an effective partner in development for some time. Until they reform the administration and begin paying living wages to civil servants, public sector capacity building is doomed to failure. The constraint is likely to occur when they decide for

sovereignty reasons to be more involved in outside assistance activities, but lack the capacity to participate. USAID does not, at current levels, have anywhere near the resources to assist meaningfully with capacity building within the government, even if/when the conditions are conducive to do so.

Part II. Past, Present and Future Results

A. Achieving Results

1. USAID Assistance was Critical to the Implementation of the Peace Process

The Lusaka Protocol, signed in November 1994, describes a process for the cessation of hostilities and for military and political integration. While it contains many of the same peace-making activities as the Bicesse Accord (such as demobilization of former combatants, surrender of weapons, et cetera), the Lusaka Protocol is more flexible and calls for greater negotiation between the two parties, particularly through such forums as the Joint Commission and its many subgroups. The Lusaka Protocol also identifies a number of actions each side of the conflict is expected to take to implement the peace process. Earlier benchmarks intended to cease hostilities included events such as the barracking of the GRA's Rapid Reaction Force, expelling foreign mercenaries, the quartering of former UNITA troops at 15 sites located throughout the country and barracking excess troops of the Angolan Armed Forces (FAA) in preparation for their eventual demobilization. Later in the process, both sides were supposed to remove the numerous checkpoints and guard posts that effectively stopped the free movement of people and goods between the zones controlled by Government or UNITA. The final stage of the Peace Process provides for military and political integration culminating in the creation of a Government of National Unity and Reconciliation (GURN), with a special position for UNITA's leader, Dr Jonas Savimbi.

The timetable agreed upon in the context of the Lusaka Protocol was that the actions would be completed by September 1996. Progress has been slower than planned, however, due to a number of factors. Nonetheless, the Peace Process remains on track. Most knowledgeable observers do not expect a return to full-scale civil war. Sporadic and isolated incidents of violence will occur over the next year as the U.N. Peacekeeping force of 7,200 troops scales down to around 1,200 observers, but as the experience in other countries has shown, the situation is expected to stabilize over the next 12 to 18 months.

The U.S. Government has played a much larger role in the formulation and implementation of the Lusaka Protocol than it did during the implementation of the Bicesse Accord. The USG recognized the general lack of political will on both sides of the conflict and took a number of steps to keep the Peace Process moving forward. At the conclusion of his visit to Washington in December of 1994, President dos Santos announced several positive steps toward peace which he was prepared to take. These steps were implemented during the next three months. Following that, a series of high level U.S. visitors passed through Luanda in a concerted effort to (1) show the USG's commitment to the process and (2) mobilize pressure on the parties to keep making progress. USAID directly supported the peace process by: (1) financing the U.N. Humanitarian Assistance Coordination Unit [UCAH], as well as the provision of humanitarian assistance for the dependent families of the quartered former troops; (2) supporting resettlement and job

creation programs in both UNITA and GRA areas; and (3) soliciting contributions from other governments. USAID also started programs to strengthen embryonic democratic institutions, once again showing tangible evidence of the USG's commitment to the process. The results of the activities themselves have demonstrated that peace has concrete development benefits, and conversely, that development is difficult in the absence of peace.

2. USAID Support for Quartering and Demobilization Achieved the Intended Results

The Lusaka Protocol called for the quartering of UNITA soldiers and arms, the integration of both forces into a single army under control of the government, and the demobilization of excess former soldiers. In response, a total of 15 sites were established throughout the country for former troops of UNITA to hand over their weapons and remain quartered while waiting to be reintegrated into the FAA or demobilized to their home communities.

UCAH was charged with managing the design and implementation of the quartering areas, in partnership with GRA, UNITA and UNAVEM. USAID's timely interventions in support of this process were critical to its success; USAID provided for the recruitment, hiring and fielding of core quartering, demobilization and reintegration staff, including UCAH's director, health officer, water/sanitation engineer, information management expert, and chief administrator. This team also developed the quartering, demobilization, and reintegration strategy upon which the U.N. Consolidated Appeal was based, leveraging essential donor support. In addition, humanitarian assistance was provided for 120,000 dependent family members of the quartered former combatants who settle in U.N.-managed family sites adjacent to the quartering areas. Some argue that the process, particularly the quartering, would not have occurred without USAID's contributions in the initial stages of the process.

Once the quartering areas were created, USAID provided substantial support in life-saving humanitarian assistance including more than 18,880 metric tons of food aid through the World Food Program [WFP], essential medicines and medical supplies administered by professional medical staff, and 256,200 square meters of plastic sheeting to reinforce shelter. USAID has directly supported NGO humanitarian operations (including staff, logistics and capital equipment) at four quartering areas and provided funds to UCAH's quick response fund to cover some of the many unforeseen emergency needs that have arisen.

Although the U.N. supervised quartering areas were only designed to house the former troops for a few months, nearly a year and a half later the former combatants continue to wait to be demobilized. To date, nearly 71,000 former UNITA troops have been quartered, of which 9,000 are classified as military war disabled, and more than 6,000 are underage. Only 43 percent of those quartered actually handed-over weapons, most of which were in poor condition. Presently, more than 23,000 (32 percent) of the quartered former troops are either listed as absent or have deserted the quartering areas. Less than 100 have died, the majority of whom entered the quartering areas with serious

illnesses. Owing in part to USAID assistance, no major outbreaks of diseases have occurred, and security for the former troops and their families has been maintained at the quartering sites.

In August 1996, the plan for the demobilization and reintegration of ex-combatants was endorsed by the Joint Peace Commission and approved by the Government's Council of Ministers. The plan details the procedure for creating a unified national army of 26,300 former UNITA troops and 63,700 GRA troops, and reintegrating into civilian society the remaining 100,000 demobilized soldiers (48,700 from UNITA and 51,300 from the GRA). To date, demobilization and reintegration has only commenced for the underage former soldiers. Issues surrounding the selection and incorporation of former UNITA troops into the FAA continue to be debated, stalling the demobilization of the former "regular" troops.

At the time of demobilization, in addition to the legal benefits and the provision of a special subsidy to support reinstallation provided by the GRA, each former combatant receives basic household items, agricultural inputs such as seeds and tools, a set of basic tools for the construction of housing, an individual food ration for nine months, a family food ration for three months, and transport provided by the international community. In support of this, USAID has provided resources to the International Organization for Migration for the procurement of 20,000 take-home kits and transport of both demobilized personnel and their dependent family members.

An extremely important aspect of USAID/Angola's work in quartering and demobilization is the reintegration of the 6,000 underage, demobilized soldiers into their home communities. Over the past year, 1,377 cases have been traced. Of these, already 1,149 children have been demobilized and transported to their declared homes. In some cases, however, the children soldiers never reached home; UNITA pressured them to change their destinations. As a result, a new policy was introduced that requires underage soldiers to disembark only at meeting points where they will be met by family members or an adult previously specified. Follow up surveys suggest that those children that reached home are settling well; few problems of adjustment have been encountered by either the families or their communities. In implementing this activity, USAID is working with UNICEF, Christian Children's Fund [CCF], Save the Children/UK [SCF/UK] and the Ministry of Rehabilitation and Social Reinsertion (MINARS), particularly in nine of the country's 18 provinces where the majority of youths selected areas of destination. Most of the work is accomplished through 300 church-affiliated organizations, an effort that has the added advantage of strengthening local institutions.

The programs funded by USAID to assist underage former soldiers consist of a number of elements. USAID's NGO partners are visiting families to inform them of the return of their children, tracing relatives of the children who have lost contact with their families, accompanying the children home on the day of their demobilization, arranging help for the children in communities for those for whom their families

could not be traced, referring the children to job schemes, and providing any requisite psychological counseling. A follow-up network has been established by employing one coordinator in each of the provinces in which USAID is working who links up to the network of church volunteers at the community level.

3. USAID Efforts Kept Hundreds of Thousands of People Alive During the Emergency

The USG continues to be one of the largest providers of humanitarian assistance to Angola. Since 1985, USAID has provided life-saving emergency assistance in response to both drought and civil strife, particularly at the peak of the civil conflict when as many as 1,000 Angolans were dying a day and hundreds of thousands flooded the provincial capitals seeking refuge from the war.

USAID/BHR/FFP, which began its emergency operation in Angola in 1985, has contributed a total of 558,102 tons of emergency food aid, valued at approximately \$292 million. Emergency food assistance benefitted a high of approximately 800,000 people per month in 1994, falling to a current level of approximately 300,000 people per month, as of early 1997. The Angolan relief program is administered through the WFP, as well as USAID bilateral programs with CARE, Catholic Relief Services [CRS], SCF/US and World Vision. WFP functions throughout Angola, while each of the large, international PVOs serve as cooperating sponsors in specific regions. USAID/BHR/OFDA, which provided its first emergency airlift in 1989, has contributed close to \$114 million to date to support the distribution of food, seeds and tools, and emergency non-food items such as blankets, soap and cooking sets; therapeutic and supplementary feeding programs; basic health services such as vaccinations, traditional birth attendant training, and health post rehabilitation; emergency logistics; and humanitarian program coordination. Beginning in 1994, USAID/BHR/OTI has provided a total of \$17 million, to support demining, mines awareness, civic education, and quick impact projects for community-based rehabilitation.

USAID's emergency program was designed to provide life-saving support to the hundreds of thousands of displaced people who fled their villages and joined those living in the provincial capitals, only to find the towns besieged and cut off from outside support. According to the nutritional surveillance conducted by the USAID-funded PVO, Action Against Hunger [ACF], in 1994, average malnutrition rates were 15.2% global and 4.4% severe for children under age nine. Through the emergency interventions funded by USAID and other donors, malnutrition slowly decreased to average rates of 8.7% global and 2.3% severe by the end of 1996. For example, an October 1994 survey for Ndalatando found a global malnutrition rate of 29%, with 12% of the children under five suffering from severe malnutrition. Four feeding centers were immediately opened. However, the food emergency was coupled with high measles infection, and cholera was sweeping through the city. Hence, a health post was opened beside each of the feeding centers, and an immunization program was established. Within four months, the global malnutrition rate had dropped to 3.9%.

USAID-funded interventions in Angola have:

✍ increased food security through general food distributions, FFW programs, distributions of seeds, tools and food as seed protection;

✍ improved basic community health care through emergency feeding programs, vaccination campaigns, rehabilitation of basic health care services at hospitals, health centers and health posts, and improved training of health care workers;

✍ provided potable water/sanitation through the construction of latrines, rehabilitation of wells, and programs to strengthen hygiene.

As the circulation of people and goods has gradually increased and the impact of mine action and mine awareness programs has grown, the displaced populations have started to resettle in their home or interim areas with USAID support.

Overall, emergency programs are phasing down. Nonetheless, the need for these programs in the future continues, especially in light of the recent outbreak of violence in Benguela Province that has caused a new displacement of approximately 20,000 individuals. USAID therefore intends to maintain an emergency response capacity for the foreseeable future.

4. USAID Resettled Over 300,000 People

Since 1995, USAID has directly facilitated the resettlement of at least 306,000 people, and continues to support the conditions for the resettlement of 505,000 who remain displaced in PVO areas of operation, for a total of 811,000 people to be resettled by the end of 1999. The total number of IDPs still to be resettled in Angola is estimated at 1.2 million by the U.N. Various other organizations and donors are also involved with resettlement of internally displaced persons, demobilized soldiers and refugees. A week-long seminar in May will focus upon collaboration between donors and the GRA with respect to provision of sectoral assistance.

Two major trends are clear. First, the resettlement process is progressing slower than anticipated. Most IDPs cite the lack of security and fear of banditry as major deterrents preventing their resettlement in their former homes areas. Although checkpoints with armed, uniformed soldiers were officially removed in June 1996, many checkpoints continue to exist. As a result, there is little transport or movement of goods and people between areas currently under the administration of the GRA and those under UNITA's control.

Second, those IDPs who are resettling are not returning to their areas of origin, but rather interim areas where they have access to arable land. Resettlement is largely spontaneous. Most IDPs chose to return just prior to the commencement of the September to November planting season, before the beginning of the main rainy season.

Greater implementation of the Peace Process should have the effect of increasing the rate of resettlement, through the formation of the GURN and the subsequent extension of the government's control over the national territory. This process may increase insecurity and banditry in the short-run but should decrease general insecurity over the longer-term. Similarly, prompt movement on a number of issues in the Peace Process, such as successfully completing demobilization, should have important psychological effects in convincing people that the major protagonists of this conflict are working together to establish sustainable peace.

Starting as early as 1995, the PVOs mounting the major humanitarian assistance programs (USAID-funded CRS, WVRD, SCF/US, CARE and Africare), began to assist their beneficiary populations to return to their homes and grow their own food crops. Typically families are given seeds, tools, and food as seeds protection. USAID activities are shifting the IDPs' reliance on imported food aid to domestically produced food crops. Food is also provided to resettling populations through food for work activities to rebuild the destroyed rural infrastructure. Such FFW activities rehabilitated 56 schools, 26 health posts/clinics, 6 rural markets, 16 wells, 15 bridges, 764 kilometers of roads, and more than 105 kilometers of canals for irrigation. USAID's resettlement programs are revitalizing rural communities and at the same time reducing the absolute dependence of IDPs on humanitarian aid. The quantity of food aid provided in free food and feeding programs is decreasing, while the total quantity of food provided for FFW and food for agricultural activities is increasing. Only three years ago, these activities accounted for less than 1% of the total emergency program beneficiaries, while today the share is approximately 40%.

As rehabilitation of the agricultural sector is key to sustaining the livelihood of resettling Angolans, the USAID-funded Seeds of Freedom is providing the means. The Seeds of Freedom activity has made important advances in raising agricultural productivity by increasing the quality of seeds and other genetic materials provided to resettling farmers. Under the Seeds of Freedom activity, five of the International Agricultural Research Centers, Angola's Ministry of Agriculture, and six PVOs have teamed up to expose farmers to improved or adapted varieties of maize, beans, groundnuts, sorghum, millet, cassava, and sweet potato, allowing them to choose varieties on the basis of adaptability (yields), taste preference, cooking qualities, etc. A total of 1,030 farmer trials of maize (315), beans (545), sorghum (90), and millet (80) have been established by farmers in 13 provinces by USAID-supported PVOs, including Africare, CARE, CONCERN, Lutheran World Federation [LWF], SCF/US, and WVRD. The ultimate objective is for the farmer to grow primarily improved or adapted varieties by 1998-99. To provide for sustainability, training in farming systems is being given to the agronomist staffs of the PVOs and, more importantly, the national seed research and extension services. Seed multiplication is now taking place across the country for maize, groundnuts, beans, and cassava. For instance, two improved maize varieties developed by IITA are being multiplied in Malange, and foundation seeds also will be provided to commercial seed companies for seed production for 1998.

The basis for this most innovative activity is WVRD's pathbreaking work, supported by USAID. Following its 1993 seeds and tool distribution, WVRD conducted an agricultural assessment to determine the appropriate mix of seeds and tools for the next planting season. WVRD analyzed such factors as the crop
ping geographical area under consideration, farming systems, variety appreciation, yield potential, availability of seed or planting materials, and nutrition of the beneficiary populations. To improve the seed distribution program, field stations were identified for the testing of varieties and management practices. The crops tested were maize, cowpeas, beans, groundnuts, cassava, and sweet potato. The first variety tests were established in September 1994 in Kwanza Norte Province, in which seven open pollinated maize varieties from IITA were compared to Kalahari Early Pearl distributed in agpacks throughout Angola. The results indicated that agpack varieties previously used did not produce the highest yield. Through the variety trials of maize, cassava, sweet potato, bean, and groundnut, the varieties suitable for the agro-ecologies of northern Angola were identified based on the growth cycle, disease resistance, and yields. Since then, WVRD has used previously tested seeds and the results have yielded greater harvests such as the case of beans planted in resettlement areas near Malange. This year's bean harvest from three resettlement areas has yielded a surplus of over 13 tons of beans which WVRD has purchased from resettled farmers. The 13 tons of bean seeds will be used for March distribution in WVRD's agpaks for the upcoming planting season to assist other resettling families.

USAID's basic health care initiatives have also strengthened community resettlement. USAID-funded PVOs have trained 231 vaccinators who have administered more than 820,000 doses of vaccines against the major preventable childhood diseases to an estimated 489,000 children under five and tetanus vaccines to women of child-bearing age under the national extended program of immunization [EPI]. Where the campaigns were undertaken, vaccination coverage rose substantially, in some cases reaching 86%. USAID-funded PVOs have provided basic health care services to populations in outlying areas through mobile clinics and have distributed 49 medical kits and 6 sets of laboratory equipment to support fixed posts. The PVOs have also distributed more than 679,000 packets of oral rehydration salts, and have provided more than 31,000 doses of vitamin A capsules, particularly to children suffering from malnutrition and diarrhea.

In addition, most of the major humanitarian programs managing resettlement programs have a mine action component. According to the U.N., between 10 and 20 million mines remain in Angola. The number of Angolans who have been killed or mutilated because of landmines reaches the hundreds of thousands. USAID's principal thrust in demining has been mine awareness/sensitization training to teach people to recognize and avoid landmines until they can be removed. Already close to 1.2 million people have been reached by USAID mine awareness training. USAID also supports mine survey and removal, and has trained 660 individuals to implement such programs. To support its efforts in the area of landmines, USAID works directly through such PVOs as Africare, CARE and WVRD in resettlement areas. CARE and WVRD have been requested by the Institute for the Removal of Unexploded Ordinances [INAROE] and Central Mines Action

Office [CMAO] to collaborate on mine awareness, mapping and surveying in two of four quadrants of Angola in an effort to consolidate and prioritize all demining activities within the country. In general, local administrators and health personnel reported that the number of mine accidents was reduced due to USAID-supported interventions.

5. A Special Focus on the Disabled Improved their Lives

The total number of amputees is roughly 70,000. This is higher in both absolute and relative terms than any other country in the world. Moreover, the number will continue to grow at a rate of 4,000-6,000 per year as IDPs, demobilized soldiers, and refugees return home. There is a large need for prosthetics, including orthopedic devices, mobility aids, and wheelchairs. Prosthetic production takes place at ten centers within the country whose production and fitting capacity is at best 3,460 units per year.

USAID is making progress in addressing the needs of the amputees through its assistance to the International Committee for the Red Cross [ICRC] and Vietnam Veterans of America Foundation [VVAFA]. ICRC, after repairs of its facility, has restarted operations. It is now making 900 devices per year. Its goal is to increase the annual production rate of prosthetic devices in Angola by 1,800. VVAFA's goal is a functioning regional rehabilitation center conforming to GRA and international standards in the eastern zone of Angola. While it has yet to start up operations, specific targets over the four year activity include meeting the mobility needs of 3,620 disabled Angolans through production and fitting of 2,140 prosthetic devices, and the production of 1,000 mobility devices and 480 wheelchairs. USAID also has funded two prosthetic workshops that discussed technology and employee skill development, sharing its experience with others in the hopes of expanding the overall effort.

6. USAID Assistance to the Children of War Was Effective

The estimate for children at risk due to war is 1,421,731, including children under 16 displaced by the war (670,000), separated from families (14,731), children living in cities which were particularly affected by the war (575,000), and children living in extreme poverty as assessed by the mortality rate for children under age five (162,000). USAID is working successfully to reduce the risks that children face from the war. Through the War Victims Fund, the Global Bureau began providing funds for Angola in FY 1991 for a total of \$2.5 million to date. The Global Bureau's Displaced Children and Orphans' Fund has contributed since FY 95 for a total of \$3 million to date. In 1996, USAID-funded SCF/UK, working in collaboration with MINARS, registered 820 new cases of children separated from their families, traced the families in 115 cases, reunited with parents or placed with foster parents 275 children, and provided sufficient skills that 183 could live independently. In undertaking this work, USAID-funded SCF/UK is strengthening the capacity of MINARS to coordinate the program at the national and provincial levels by training 132 individuals in family tracing and the care of separated children. USAID-funded CCF has trained 1,094 adults to help more than 33,000 children affected by the war to learn to cope

successfully with the circumstances of their lives with help from understanding adults. Ultimately, the target is to train 4,000 adults and assist 320,000 traumatized children. Recommendations for a national policy on unaccompanied children also will be tendered.

7. USAID Provided Civic Education for Quartered Former Combatants

When the quartering of soldiers started, USAID knew that keeping the former soldiers busy, preparing them to reintegrate into their communities and building the foundation for their participation in a peaceful, more democratic Angola would be a serious challenge. With these ambitious ends in sight, USAID funded PVOs undertook civic education programs in coordination with UCAH for the former combatants and their accompanying families in the quartering areas. Women received training on health practices and adult literacy. Children were offered primary and secondary schooling. Equally importantly, the former soldiers received information on the peace process, information about their basic human rights, non-violent conflict resolution skills, and what to expect from demobilization. More than 5,000 ex-combatants and at least 4,700 accompanying family members were trained through these programs. The PVOs also identified 40 former-UNITA trainers to continue these efforts once the former soldiers reintegrate in home communities, particularly to increase their capacity to resolve conflicts among their colleagues. Although the Mission has no way of evaluating results except through proxy indicators of inputs and delivery, the perceived results of this effort were not as great as anticipated. The materials prepared by UCAH for the civic education consisted of three short brochures, and UNITA basically censored the content of the civic education program. These constraints undoubtedly reduced the impact of the effort. The program does appear to have been successful in supporting recreational activities such as sports for the quartered former troops. In addition, to date there have been few major security problems within the quartering areas.

8. USAID Began to Strengthen the Media and Provided Independent and Unbiased News and Information over the Radio

USAID/Angola, with the assistance of USIA, trained 63 Angolan journalists in press freedom, media competency and conflict resolution. This training resulted in setting a national agenda for Angolan journalists in which journalists from a broad spectrum of "editorial" viewpoints agreed to promote civic education through mass media and form an association representing all Angolan journalists -- regardless of the parent organization's political orientation. Additional national forums for debate and training workshops for journalists are to be organized. In Angola, the fact that this program took place and was actively covered by the participating media is, in itself, noteworthy. Moreover, this activity triggered a national dialogue on press freedoms and augmented the free circulation of information. It should be noted, however, that VORGAN, UNITA's radio station which broadcasts in areas currently under "UNITA administration", did not attend, despite an invitation.

USAID/Angola is committed to strengthening the capacity of Angola's media; however, self-censorship and related harassment and intimidation are such that independent and unbiased information will not be circulating for some time. In the interim, USAID is supporting the Voice of America [VOA]. In March 1996, VOA started broadcasting a daily news program to Angola, *Linha Directa*, *Linha Aberta*. This program forthrightly covers issues of national reconciliation, conflict resolution and democratization and includes both a news format as well as debates. The BBC reports that two percent of Angolans listen to *Linha Directa*, *Linha Aberta* weekly. Three quarters of these listeners describe the program as timely and interesting. Through agreements reached with several FM stations access to listeners is increasing, especially in the countryside where finding other unbiased information on Angola is difficult. Moreover, national newspapers and radio stations are using

VOA like the Associated Press wire, pulling leads and stories from its broadcasts. Most significantly, politicians and military personnel with issues to raise concerning government accountability are turning to VOA in an effort to uncover abuses.

USAID also funded Angola's first-ever public opinion poll. Findings from the poll -- taken by BBC -- reinforce those who are optimistic that Angola will move through this peace process and begin to transform into a more accountable state. It also bodes well for USAID/Angola's strategic choices for the future. Better educated Angolans overwhelmingly (85%) felt that a democratic form of government that allows people to make choices, rather than one that decides for them, is best for their country. Angolans also said that providing economic opportunities should be government's number one priority. Eighty-six percent of Angolans are optimistic that Angolans can live together peacefully again.

9. USAID's Broad Gauge Democracy Program was Put in Place

Responding to the momentum of the peace process, USAID/Angola has used FY 96 to put in place an ambitious but achievable democracy and governance program. Angola is a logistical challenge: grantees have had to allow several additional months to set up offices before their programs could begin to be implemented. Nonetheless, USAID/Angola anticipates that the time invested in FY 96 will result in a strong and sustainable program. It is worth noting that USAID/Angola is the first donor to establish a broad-gauged democracy and governance program in Angola.

10. Little Progress on Economic Reform was Made

Of all the bilateral donors, the USG country team including USAID has been at the forefront in encouraging the GRA to stabilize the economy and adopt structural reforms. All of the high level visitors, including Former Secretary of State Christopher, U.S. Ambassador to the U.N. Madeleine Albright and USAID Administrator Atwood all emphasized the critical importance of economic reform with Angolan authorities. Some positive results already can be cited: economic growth is projected to increase from 8.6% in 1996 to 9.4% in 1997; inflation, the cruelest tax on the poor, has come down from 84% a month in May of 1996 to 0.7% in November before rebounding back to 5% in December owing to the crush of Christmas spending; and the gap between the official and parallel exchange rates has narrowed to around 13% [despite the fact that the official pegged rate has been maintained at the same level since last July] reducing the subsidy to those who have access to foreign exchange at the official rate. However, the reduction of inflation and the narrowing of the gap between the official and parallel rates can be attributed primarily to the cessation since July of the printing of money by the central bank to finance government expenditures and pay salaries. To improve transparency in the accounting of oil revenues, an oil account has been established at the central bank. Improved treasury warrant procedures also have been put into place. Finally, a new economic program, providing for fiscal and monetary restraint, is now under discussion within the Council of Ministers.

However, concurrently there has been some backsliding. To keep from printing money to finance expenditures, the GRA has incurred arrears of \$600 million; government salaries were not paid in January. The budget deficit, as a share of GDP, remains high. A new import licensing scheme was put in place last June. In order to secure foreign exchange, a request must be tendered to the central bank which will allocate no more than 30% of the foreign exchange in its coffers for non-essential items. Previously, entities with access to foreign exchange could use that foreign exchange as they wished. Interest rate determination, once exclusively the domain of an informal committee of the country's commercial bankers, has been complicated by the introduction of a GRA-mandated monetary correction scheme. Finally, prices remain controlled; prices of essential items are controlled with margin requirements affixed on most of the remaining products.

Notwithstanding the backsliding, the IMF considers that the economic policy improvements that have been introduced provide a good basis for launching a comprehensive structural adjustment that it could conceivably support once the GURN is established. The IMF, together with the World Bank, has advisors in Angola, working in the areas of public expenditure management and accounting, tax and customs administration, tax and customs law, budget preparation, monetary policy, bank supervision, central bank operations, and financial analysis and programming. IMF President Camdessus was in country last November to discuss with the GRA the prospects for the provision of a Policy Emergency Assistance Program, a new Fund vehicle providing fast-disbursing assistance for countries in post-conflict situations such as Angola and Bosnia. The thrust of the program, providing \$106 million, would be enhanced transparency in the budget process, focusing on proceeds from oil, diamonds, and the international donor community. This could be followed six to eight months later by an ESAF, providing \$280 million annually for three years, and eventual Paris Club debt rescheduling. Any IMF program would enable Angola to attract budget support from other donors. These additional resources are most important: If the GRA is to make a frontal assault on poverty, allocations for the social sectors must be increased beyond the current 5% share of total government spending. The share has been limited by the large allocations to defense and security (70% of total government spending) and debt-servicing (20%).

B. Refining Program Objectives and Expected Results

1. Making Peace a Reality.

Recognizing the transitional nature of USAID/Angola's program and the uncertainties under which it is being implemented, we can expect significant modifications to the evolving conceptual framework of the program. These conditions, undoubtedly, also will effect the level of confidence for meeting the targets which we have set for ourselves. Within the context of the program strategy that was approved in July 1995, teams dealing with individual strategic objectives commenced the development of the program's conceptual framework in June 1996. The preparation of this R4 and the attached Results Framework further develops the program's conceptual framework as it transitions from emergency relief in response to a complex disaster to the beginnings of self-sustaining development in a potentially middle-income extractive economy.

USAID/Angola's overall program objective remains to promote Angola's transition from a devastated war-torn country to a stable, peaceful and democratic society. Our current five year strategy which ends in the year 2000 essentially covers the period of the Peace Process described in the Lusaka Protocol with local, provincial and national elections expected in 1998, 1999 and 2000 respectively. During the next three years, the program is expected to contribute to the Peace Process, working closely with key institutions involved therein, to address the immediate problems of the worst of Angola's war affected; to strengthen the institutional base for national reconciliation and a more democratic society and finally, to begin the much needed economic liberalization reforms. By the year 2000, we expect that national reconciliation will have progressed to the point where the threat of large-scale armed conflict will have dissipated, peaceful and fair elections will have taken place (and the results accepted by the contesting parties,) and the need for food aid will have been largely obviated.

2. Resettling and Rehabilitating the War-Affected.

(A) Program Development

USAID/Angola proposes the reformulation of Strategic Objective #1 as shown below:

Original: Increased resettlement of displaced Angolans.

Proposed Revision: Increased resettlement, rehabilitation and food self-reliance of war-affected Angolan communities.

The original SO provided for the resettlement of displaced Angolans without addressing the specific conditions and adequately defining the target population. When the Mission in Angola was established, it was recognized that the conditions for resettlement needed to be defined and the target group needed to be refined to state the problem accurately and to actively guide program development and implementation.

It was recognized that other groups of individuals, important to the resettlement process, were not included. Angola faces the return of approximately 300,000 refugees from surrounding countries in addition to the 1.2 million internally displaced people. These two groups comprise a very substantial part of the resettling communities. Other important categories of war victims are also particularly vulnerable - landmine victims, children of war, and roughly 100,000 demobilized soldiers reintegrating into mostly rural communities. Finally it is recognized that individuals remaining in fragmented communities during the war may require some assistance as the resettling groups converge them. As such, the Mission believes that the term "war-affected" better defines the target group for resettling and rehabilitating war-torn Angolan communities. It should be noted that USAID will not take responsibility for assisting refugees to return home. The High Commission for Refugees [UNHCR] and the State Department's Office of Population, Refugees and Migration [PRM] will take primary responsibility for this. USAID will assist their reintegration when they have returned to their home communities in our focus areas.

It was also recognized that resettlement efforts must take into account the possibility of a relatively high degree of conflict affecting some resettling communities. Recent experience shows that interrelationships between political (and to a certain extent tribal) affiliation, and rights to land and water can negatively affect resettling communities. To mitigate and help resolve such types of conflict, cooperating PVOs will continue to work with local community leaders, traditional authorities and provincial government officials. PVOs will be mindful of ensuring equal access to water and other community resources to all community members. Finally PVOs facilitating resettlement are encouraged to monitor conflict in resettling communities and report incidence of conflict to appropriate local and provincial authorities.

A second potential source of conflict within the community is the challenge of reintegrating the demobilized soldiers into civil society; in particular, their communities and their families. The programs supporting demobilized soldiers provide job skills training and counselling, and material assistance to try to avert the need to resort to banditry and violence to survive. Demobilized underage soldiers also receive additional assistance in making the psychological adjustments for returning to civilian life and families. PVOs working in communities where there are sizeable numbers of returning former soldiers will monitor reported incidents of conflict involving demobilized soldiers. In some cases, it is expected that the DG partner PVOs will assist communities to deal with internal conflict. It is anticipated that this level of involvement is adequate to cope with conflict within resettling communities, but clearly monitoring the levels of conflict in resettling

communities is critical and additional assistance will be deployed if required.

USAID financed resettlement and rehabilitation activities give priority to food production. Because (a) the climatic and soil conditions in most of the country are favorable; (b) most displaced Angolans were involved in agriculture before the war; and considering the depopulation and the capital drain out of the rural sector, it makes good sense to reinvest in the agricultural sector especially in the short run where the impact will be sustainable for the largest number of beneficiaries. Indeed, this sector is the only sector that has the capacity for large scale productive growth and employment at this time.

USAID/Angola has chosen to address community health concerns primarily through improved nutrition and the limited provision of potable water. Access to primary health care, while viewed as an important element, is not an area that the Mission can have a sustainable impact given current personnel and funding levels. Secondly, to be sustainable, primary health care programs need support at the national and provincial levels. Other donors are better placed to deal with the restructuring of the overall health service delivery system and ensuring it has adequate resources to be maintained. Particularly, the French, the EU and the World Bank have chosen to address the formal health sector in Angola and the Mission will rely upon its ability to leverage other donors to finance primary health care programs associated with the community resettlement and rehabilitation programs financed by USAID.

The three Intermediate Results (IRs) associated with SO #1 are the following:

- (1) Increased levels of food security in communities where there are significant populations of resettled.
- (2) Improved health status in areas covered by PVO partner programs (and with funding leveraged by other donors).
- (3) Rehabilitation of war victims and other vulnerable groups.

Previously, the IRs were:

- (1) Increasing physical security to encourage a more rapid and complete resettlement of displaced persons and families.
- (2) Enhancing the survival of resettled communities.
- (3) Building self-reliant organizations that serve the interest of communities.
- (4) Providing special rehabilitation services to a number of groups before re-entry into civil society, including demobilized soldiers, disabled, and children of war.

Old IR #1, which dealt primarily with mines, has been dropped. USAID will no longer address the issue of mines, except for surveys and mine awareness education, because of the extremely high cost of demining activities that would preclude our funding other activities that we feel are more important to Angola's future. Other donors are expected to

be active in the area; and other parts of the USG have greater expertise and resources to bring to bear on demining activities. Old IR #2 is now encompassed in new IRs #1 and #2. The focus remains the resettled population; USAID proposes to work with resettled populations both to help them feed themselves and to improve their social infrastructure. New IR #3 is very much like old IR #4: building self-reliant community based organizations is viewed as a means of achieving IRs #1 and #2. Consequently, we have deleted it as an IR and expect to capture its importance as an indicator of SO #1 achievement.

The highest priority in the aftermath of any war is to relieve suffering, begin the resettlement process, provide for the production of basic foodstuffs, and deal with those with special needs. SO #1 addresses these specific issues and, supported by conflict resolution and reconciliation activities associated with SO #2, will make a significant contribution to national peace and reconciliation.

(B) Anticipated Results

All the activities encompassed under SO #1 need to be undertaken to complete the transition from relief to development. The overriding priority will be resettlement of 811,000 of the 1.2 million total IDPs as identified by the U.N. We will help the IDPs to feed themselves through providing resettlement kits containing seeds and tools, rebuilding economic infrastructure such as markets, roads, bridges, and irrigation systems, and encouraging the adoption of agricultural crop varieties specifically adapted to Angolan conditions. Emergency food will be phased out to be increasingly replaced by FFW activities, although significant capacity to deal with emergencies will be retained. Concurrently, we will seek to improve the social infrastructure of the target population -- the resettled -- through specific interventions such as rehabilitation of community centers, latrines, health posts, and wells.

Targets for achieving the major results indicators are summarily described on the following tables. It should be noted that several of the IR indicators do not figure on these tables. The results indicators dealing with increased food production and reduced malnutrition are still being formulated with PVO partners.

Performance Table 2.1

OBJECTIVE: Increased Resettlement, rehabilitation and food self-reliance of war affected Angolan communities.			
APPROVED: Not yet approved. COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: S.O. 1 Increased resettlement, rehabilitation and food self-reliance of war-affected Angolan communities.			
INDICATOR: S.O. 1 Indicator: Number of Internally Displaced People (IDPs) resettled.			
UNIT OF MEASURE: Number of people (and/or families) SOURCE: PVO Implementation Reports. INDICATOR DESCRIPTION: Resettled population in either temporary locations or home communities. COMMENTS: See assumptions especially the one concerning freedom of movement.	YEAR	PLANNED	ACTUAL
	1996		350,000
	1997	500,000	
	1998	700,000	
	1999	811,000	

Performance Table 2.2

OBJECTIVE: S.O. 1 Increased resettlement, rehabilitation and food self-reliance of war-affected Angolan communities.
APPROVED: Not yet approved. COUNTRY/ORGANIZATION: USAID/Angola

RESULT NAME: S.O. 1 Increased resettlement, rehabilitation and food self-reliance of war-affected Angolan communities.

INDICATOR: S.O. 1 Indicator: Number of communities resettled

UNIT OF MEASURE:

Number of communities (additional criteria being defined)

SOURCE:

PVO implementation reports

INDICATOR DESCRIPTION:

Communities that have received USAID funded assistance for a significant portion of their resettling communities members.

COMMENTS:

See assumptions especially the one concerning freedom of movement.
Working on definitions, questions and issues with PVO partners.

YEAR

PLANNED

ACTUAL

1996

TBD

1997

TBD

1998

TBD

1999

TBD

Performance Table 2.3

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities. APPROVED: Not yet approved COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.			
INDICATOR: S.O.#1 Indicator: Population of Resettling Communities			
UNIT OF MEASURE: Number of People SOURCE: PVO Implementation Reports INDICATOR DESCRIPTION: Number of people, both resettling and those families remaining in communities, living in communities that are assisted by PVO partners. COMMENTS: Working on definitions and current estimates with PVO partners.	YEAR	PLANNED	ACTUAL
	1996		TBD
	1997	TBD	
	1998	TBD	
	1999	TBD	

Performance Table 2.4

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities. APPROVED: Not yet approved COUNTRY/ORGANIZATION: USAID/Angola	
RESULT NAME: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.	
INDICATOR: Number of Community Based Organizations mobilizing community resources to address common community problems.	

UNIT OF MEASURE: Number of community based (formal or informal) organizations operating in resettling communities for the benefit of the entire community. <hr/> SOURCE: PVO implementation Records <hr/> INDICATOR DESCRIPTION: Community based organizations involved in rehabilitation and/or resettlement activities. <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		20
	1997	50	
	1998	75	
	1999	100	

Performance Table 2.5

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.			
APPROVED: Not yet approved COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: IR1: Increased Levels of Food Security in communities where there are significant populations of resettled war-affected.			
INDICATOR: Increased Household Food Production			
UNIT OF MEASURE: ratio of estimated crop production to free food distribution in areas of partner PVO operations. SOURCE: PVO implementation Reports and FFP/WFP records INDICATOR DESCRIPTION: Increase in food produced relative to food received through distribution. COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		TBD
	1997	TBD	
	1998	TBD	
	1999	TBD	

Performance Table 2.6

OBJECTIVE: OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.
APPROVED: Not yet approved COUNTRY/ORGANIZATION: USAID/Angola
RESULT NAME: Increased levels of food security in communities where there are significant populations of resettled war affected.
INDICATOR: Roads and Bridges restored in selected areas permit great agricultural trade and marketing.

UNIT OF MEASURE: Kilometers of roads rehabilitated and maintained; number of bridges repaired. <hr/> SOURCE: PVO Implementation Reports <hr/> INDICATOR DESCRIPTION: Kilometers of roads rehabilitated and maintained. Number of bridges repaired. <hr/> COMMENTS: Expect to begin to record data on impact of improved rural transportation infrastructure on agricultural production and marketing in FY1998.	YEAR	PLANNED	ACTUAL
	1996		roads: 750 bridges: 15
	1997	roads: 1000 bridges: 25	
	1998	roads: 1250 bridges: 45	
	1999	roads: 1500 bridges: 60	

Performance Table 2.7

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.			
APPROVED: not yet approved		COUNTRY/ORGANIZATION: USAID/Angola	
RESULT NAME: IR1: Increased levels of food security in communities where there are significant populations of resettled war affected.			
INDICATOR: IR1.4 Community facilities rehabilitated			
UNIT OF MEASURE: (cumulative) Number of Schools repaired and rehabilitated. Number of Health Posts repaired and rehabilitated. Number of Community Facilities (including markets) rehabilitated. SOURCE: PVO Implementation Reports INDICATOR DESCRIPTION: Schools repaired and rehabilitated. Health Posts repaired and rehabilitated. Other Community Facilities (including markets) rehabilitated. COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		schools: 50 Health : 25 Other: 6
	1997	schools: 130 health: 35 other: 20	
	1998	schools::200 health: 45 other: 40	
	1999	schools: 270 health: 55 other: 60	

Performance Table 2.8

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.			
APPROVED: Not yet approved COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: IR1: Increased Levels of Food Security			
INDICATOR: IR1.4 Community facilities rehabilitated.			
UNIT OF MEASURE: -Number wells, water systems and spring captation systems installed or rehabilitated and population served. -Number of irrigation canals rehabilitated and population served. <hr/> SOURCE: PVO Implementation Reports. <hr/> INDICATOR DESCRIPTION: -Community water systems built or rehabilitated. -Irrigation canals rehabilitated. <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		wells: 20 springs: 2 canals: 120
	1997	wells: 100 springs: 5 canals: 200	
	1998	wells: 150 springs: 10 canals: 250	
	1999	wells: 200 springs: 10 canals: 300	

Performance Table 2.9

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.
APPROVED: not yet approved COUNTRY/ORGANIZATION: USAID/Angola

RESULT NAME: IR1: Increased Levels of Food Security.			
INDICATOR: IR1.2 Improved food crop varieties more readily available to resettling communities.			
UNIT OF MEASURE: Metric tons of seeds and other improved genetic materials produced locally and distributed to participating communities. <hr/> SOURCE: PVO Implementation Records <hr/> INDICATOR DESCRIPTION: Improved food crop genetic material (primarily cereal grain seeds and manioc cuttings) produced locally and distributed to resettling communities. <hr/> COMMENTS: USAID/Angola expects to begin to look more closely on the impact of production that the increased availability of improved genetic materials will have on area production in FY 1998.	YEAR	PLANNED	ACTUAL
	1996		TBD
	1997	TBD	
	1998	TBD	
	1999	TBD	

A major near term goal will be the demobilization and reintegration of the 100,000 former soldiers, including the nearly 40,000 that are quartered and have not been selected for integration into the Angolan Armed Forces (FAA). We will help provide this population with assistance to make the transition to civilian life and to make a living primarily from agriculture in the rural economy. Within this group, significant attention will be accorded to the more than 6,000 underage former troops, of whom over 4,000 still remain in the quartering areas. They will be assisted in returning to their home communities and families of origin.

Performance Table 2.10

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities.			
APPROVED: not yet approved COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: IR3 Rehabilitation of war victims (defined vulnerable groups).			
INDICATOR: Demobilization process supported.			
UNIT OF MEASURE: Numbers of demobilized ex-soldiers with a target of 100,000 by the end of CY - 1997. SOURCE: UCAH and UNDP records and reports Embassy reports INDICATOR DESCRIPTION: Numbers of soldiers disarmed and returned to their home communities COMMENTS: Assumes, inter alia, the integration of approximately 18,000 former UNITA soldiers into the Angola Armed Forces.	YEAR	PLANNED	ACTUAL
	1996		1000
	1997	100,000	
	1998	100,000	

Lastly, the special needs of the disabled and Children of War will be addressed. By the year 2000, due to USAID financing, two Angolan institutions will have the capacity to produce annually an estimated 2,850 prosthetic devices, helping to address the needs of the country's some 70,000 amputees. It is expected that approximately ten other similar facilities will be operation by that time in addition to those funded by USAID. The Children of War will be assisted at two levels. At the national level, efforts to trace and reunite with their families the more than 14,700 children separated from their families will continue. At the community level, USAID will address the social infrastructure and psychological needs of 320,000 children suffering war trauma through training 4,000 adults.

Performance Table 2.11

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities. APPROVED: not yet approved COUNTRY/ORGANIZATION: USAID/Angola			
RESULT NAME: IR3 Rehabilitation of war victims (defined vulnerable groups).			
INDICATOR: Communities and individuals trained to facilitate return of Children of War to their home. communities.			
UNIT OF MEASURE: Number of children of war (underaged soldiers and orphans) returned to their home families and communities <hr/> SOURCE: PVO implementation reports <hr/> INDICATOR DESCRIPTION: Socialization treatment for underaged soldiers and orphans is increased. <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		1000
	1997	6000	
	1998	6500	

Performance Table 2.12

OBJECTIVE: S.O. #1: Increased Resettlement, Rehabilitation and Food Self-Reliance of Angolan War-Affected Communities. APPROVED: not yet approved COUNTRY/ORGANIZATION: USAID/Angola	
RESULT NAME: IR3 Rehabilitation of war victims (defined vulnerable groups).	
INDICATOR: IR3.1 Institutional capacity strengthened for the treatment and rehabilitation of vulnerable groups provided.	

UNIT OF MEASURE: Number of patients treated. (Cumulative) <hr/> SOURCE: PVO Implementation Reports and USAID Site Surveys <hr/> INDICATOR DESCRIPTION: Prosthetics fitted, repaired and maintained. <hr/> COMMENTS: Sustainability of institutional strengthening effort dependent on getting Gov't of Angola to massively revamp spending priorities and making greater resources available for priority social services.	YEAR	PLANNED	ACTUAL
	1996		900
	1997	1700	
	1998	4500	
	1999	7500	

3. Democracy and Governance.

(A) Program Development

USAID/Angola proposes the reformulation of Strategic Objective #2 as shown below:

Original: Strengthened Democracy and Governance Capacity

Proposed Revision: Increased national reconciliation through strengthened civil society and political institutions.

To date, USAID/Angola's efforts in democratization can best be described as a work in progress, becoming more refined as the peace process moves forward. Within the overall context of "laying the foundation for a more democratic society," USAID initially began working with those factors (soldiers and information) most likely to disrupt the peace process. As confidence increased and programs demonstrated results, USAID/Angola refined its SO to read: "strengthened democracy and governance capacity." However, that is an extremely broad objective and does not reflect a realistic objective for the next four years. The immediate task in Angola is to begin the reconciliation process: reconciliation between the MPLA and UNITA, reconciliation between all levels of government and citizens; and reconciliation between all types of citizens. Both civil society and political institutions need to be strengthened to contribute to the goal of reconciliation. Thus the wording of SO #2 has been changed to clearly state our objective for the period and the means by which we intend to achieve it.

If Angola is to abandon its 30-year legacy of civil war, it must overcome barriers to trust and reconciliation. This is a formidable challenge. War destroyed both civil society and respect for human rights. Transparency and accountability are foreign concepts to the executive branch and leading political parties. Angola has preserved one of the most repressive media environments in the world. Parliament and provincial and local governments are part of a command and control structure better suited to rent seeking than service delivery. And, tragically, elections held in 1992 resulted not in a new democratic social compact but in a return to an old war.

However the implementation of the Lusaka Protocol and the formation of the GURN offers a genuine opportunity to promote reconciliation that will ultimately lead to constitutional democracy. Facilitating dialogue at all levels of Angolan society is an important contribution to this process. Given available resources USAID has elected to concentrate on parliament, political parties, local government, community organizations, and local NGOs.

Significant progress has already been made. Civil society actors are organizing to address service delivery at the local level. The concept of public accountability is being introduced through the media and professional associations. Elected more than four years ago, 70 UNITA parliamentarians are apparently now ready to take their seats. Angola's

Minister of Justice is actively pursuing a Human Rights agenda. And, provincial and local administrators (UNITA and MPLA representatives will co-govern at these levels) are on the cusp of working together to meet community needs.

National reconciliation and dialogue will be the foundation for recovery -- political, economic and social -- in Angola. USAID/Angola's democracy and governance strategy sees national reconciliation as integral to all identified results. That is why it is highlighted in the SO and why reconciliation and opportunities for dialogue stand alone as an IR. Encouraging national and provincial leadership to work across party lines, with the goal of rebuilding communities, is vital. Also critical is equipping communities with new "tools" to manage the conflicts which occur in all societies. Anticipated conflicts range from competition over control of resources to family disputes which could intensify as soldiers return to communities, which because of the war, have become increasingly matriarchal. Women and children will particularly benefit from developing conflict resolution skills.

There are clear synergies between SO #1 and SO #2 in efforts to rebuild civil society. The past thirty years decimated most non military organizations. Building on our civic education efforts in the quartering sites, USAID/Angola will now move to three key provinces where the immediate potential and need for reconciliation is high. The goal is to assist Angolans in developing a working relationship between citizens and government so that needs are identified and met.

Strengthening civil society and human rights requires the leaders in the Government of National Unity and Reconciliation to possess the skills to respond. USAID/Angola will finance activities to improve the capacity of parliamentarians, provincial leaders and local administrators to perform their roles as spelled out in the constitution and the Lusaka Protocol. The media will be strengthened as another channel for improving civil society.

Angolans are understandably cautious about elections. Unwillingness to accept the results of elections that most observers believe were valid occasioned UNITA's decision to return to war. However to become a democracy Angola must elect provincial officials, parliamentarians and a president in elections accepted by both candidates and voters. USAID/Angola's strategy to assist in this process is an indirect one. First, we will work to prepare the basic structures of civil society and political institutions so that they are able to play their proper role in the electoral process. If the non electoral aspects of the political process are in order the actual elections should be more acceptable to all. Thus the current focus is on reconciliation within Parliament and at the provincial and local levels. However the provincial, parliamentary and presidential elections (planned for 1998, 1999, and 2000 respectively), need a great deal of advanced preparation. The order of the elections, from least to greatest importance, is fortuitous. This allows Angola the opportunity to gain positive experience at the local level, where the pain of defeat is more localized and bearable, before the ultimate prize is recontested. This is important in a country with a fragile peace and almost no trust among likely competing parties. The IR on strengthening the electoral foundation prepares USAID/Angola to begin a dialogue with Angolans and donors on how to develop a better informed electorate, political parties that

play fair and an electoral administration that doesn't choose sides. We are beginning to address the initial two elements. As time for the actual elections approaches the Mission will review what assistance may be appropriate to assist in electoral administration.

(B) Anticipated Results

1997 -- Most of USAID's partners have established programs and in-country presences in the last six months. These include the National Democratic Institute [NDI], the International Republican Institute [IRI], Pact and World Learning. Currently, these partners are identifying provinces in which to work, carrying out needs assessments and establishing baselines. Results in 1997 will be increased coalition building, improved skills of parliamentarians, greater citizen understanding of their rights and responsibilities in a democracy, and NGO capacity strengthened. Integration between IRs -- Parliamentarians actively soliciting constituent interests and civil society organizations advocating on behalf of citizens, targeting decision makers like parliamentarians -- will likely happen in 1998 and beyond.

1998 -- Reconciliation opportunities will emerge among political leadership in Angola. This will involve parliamentarians establishing working groups to develop positions which cut across party lines and provincial administrators (in three key provinces) doing the same to carry out their governance duties consistent with the Lusaka Protocol. Links to the community will increase, with groups formed to provide opportunities for local government to interact with the community, including political party leaders, representatives of Civil Society Organizations (CSOs) and traditional leaders. Conflict mitigation tools will be introduced into the community, either as a consequence of the above processes or direct delivery of new "tools" or methodologies to solve conflicts. Citizens' knowledge of their rights and the dialogue that government should be having with them to deliver services will increase. Provincial and local elections are planned for 1998: training to improve women's skills to compete in municipal elections will result in greater representation.

1999 -- Parliamentarians' will be better equipped to perform their legislative functions. CSOs will take an active role in aggregating citizen interests and will begin to interact with both parliament and provincial and municipal administrations. This will prove especially effective in USAID's three key "democracy" provinces, where CSOs will demonstrate marked improvements in internal governance and capacity to deliver to their constituents. Political parties will also demonstrate increased activity at the local level, in part due to skills training at the national level and in part due to Parliamentary elections planned for 1999. The free flow of independent information will increase. The journalist association will begin to take an active role in press freedom issues. Political parties will increase coalition building to achieve legislative ends. This will be reflected in more broad-based debate and wider representation on committees. USAID's programs will likely take on an electoral focus if elections are held in FYs 1999 and 2000.

4. Economic Reform

(A) Program Development

Special Objective #1: Facilitate Angola's preparation and implementation of economic structural adjustment and macroeconomic programs.

USAID/Angola continues to endorse maintenance of the Special Objective [SPO] while proposing a change in the wording of the objective. The previous SPO: "technical assistance supports a negotiated economic structural support program" does not adequately describe what the Mission is attempting to achieve. The change to "facilitate Angola's preparation" accurately conveys what can be reasonably achieved over the next three years. We urge that Washington approve the change.

This is a high risk objective with huge potential gains. A growth-enhancing economic policy environment could do much to ease conflict within the country. In 1997 the new GURN will begin to consider competing economic models, and our assistance, even if limited, could be critical to the government's selection of a model that promotes broad based economic growth. One IR is proposed: "commitment to economic reform forged." Achieving "commitment to economic reform" is an ambitious but attainable objective that will absorb all our efforts in this sector.

Because of resource constraints (program funding and staff), a limited but carefully targeted technical assistance program is envisaged. At the time of President dos Santos's meeting with President Clinton in December 1995, President dos Santos requested assistance in economic reform and President Clinton agreed to provide such assistance. USAID considers it prudent to first establish a good relationship of trust and understanding before dealing with major macro-economic policies and reforms. The Angolan authorities requested, and we have agreed to provide assistance in revising the investment code. The municipality of Luanda and the World Bank requested assistance in determining how best to privatize the management of the massive urban water system of Luanda. We are responding using Global Bureau's specialized expertise on privatization. These efforts are intended to serve as an entry point for future USG participation in economic policy dialogue with the Angolan Government.

IR1: Commitment to Economic Reform Forged

The Angolan commitment to economic reform is "lukewarm". There is a lack of intellectual understanding of economic reform and the situation is compounded by mistrust of the IMF and World Bank by the Angolan authorities. Both institutions have expressed a certain amount of frustration in dealing with the Angolan authorities, suggesting the need for outside involvement to convince the Angolans of the merits of economic stabilization and structural adjustment.

Change is absolutely vital. The new government will have to produce tangible increases in economic welfare for the poor majority if a future war a la Zaire, fought in the school yards,

in the hospitals, and in the streets between the marginalized and the fortunate few is to be avoided. Such increases are not possible in the absence of a liberalized economic policy environment.

(B) Anticipated Results

Utilizing the work in revising the investment code as an entree, USAID will finance a macroeconomic assessment of the Angolan economy. That assessment will be utilized to provide talking points to be used by an internationally renowned economist in discussions with the Minister of Planning, other key policy making officials, and the President. The economist will make periodic visits to Angola, providing economic advice in areas of need as defined by the Angolan authorities. An alternative would be to bring in African leaders whose countries have achieved positive gains from economic reform.

Although USAID will take responsibility only for facilitating this process, the desired end products of the IFI-led process are: an IMF Policy Emergency Assistance Program, an IMF/World Bank Policy Framework Paper, an IMF ESAF, World Bank sector adjustment programs, and Paris Club debt rescheduling. With these tools in place the GURN could begin to make inroads against poverty. Subsequent USAID assistance could take the form of seminars and sector assessments undertaken by specialists in various aspects of structural adjustment. Targets consist of an IMF Policy Emergency Assistance Program in place in FY 1997, a PFP and ESAF in FY 1998, and adherence to the ESAF in subsequent years. Numerical indicators will include the rate of inflation, the budget deficit as a share of GDP, and the gap between the official and parallel exchange rates.

C. Managing for Results

The USAID/Angola program is largely implemented by PVOs. The government is not directly involved with program implementation. Thus the approach taken by the team developing the Results Framework and the R4 was to actively involve the PVOs in the entire process.

Beginning on the first day the entire team was in Angola a series of meetings were held with the PVO community. The meetings were organized around SOs. Those PVOs concentrating on humanitarian relief attended SO #1, those concerned with democratization attended SO #2. At the first meeting the development team described the type of document that was being produced and the process for producing it. Following this, each PVO briefly described its program. At the second meeting a wide ranging discussion concerning the Results Framework and its various components took place. The PVOs were particularly involved in defining IRs, targets, and indicators. At the end of this meeting the two SO teams made presentations to one another. Since the SO #1 PVOs have been in country for significantly longer than those involved with SO #2, that SO took most of the discussion time. One result was that those PVOs involved with democratization identified possible opportunities for collaboration with their SO #1

colleagues. Civic education is an area where we anticipate especially effective collaboration.

The PVOs were also asked to provide information concerning the results they have achieved to date and their future projections. This information was incorporated into the document. As the document was being drafted a number of the PVOs were shown elements of the draft that particularly concerned them.

The results framework and the R4 document were discussed with our GRA counterparts in MINARS. The strategy and the framework were discussed with the World Bank, the EU and Dutch Cooperation officials.

Part III. Summary of Changes to the Management Contract

The Results Framework the Mission is submitting will place USAID/Angola on the same reporting system as the other USAID Missions in Africa. As discussed elsewhere in the document, the Strategic Objectives in the Results Framework reflect the evolution of the Angolan program. These objectives are more tightly focused but not radically different from those approved in 97 STATE 27982. The existing SOs are:

SO #1. Increased resettlement of displaced Angolans.

SO #2. Strengthened democracy and governance.

SPO #1. Technical assistance supports a negotiated economic structural support program.

The changes the Mission is proposing are as follows:

SO #1. Increased resettlement, rehabilitation, and food self reliance of war affected Angolan communities.

SO #2. Increased national reconciliation through strengthened civil society and political institutions.

SPO #1. Facilitate Angola's preparation and implementation of economic structural adjustment and macroeconomic programs.

The IRs under each of the proposed SOs are as follows:

Strategic Objective # 1:

IR1: Increased levels of food security in communities where there are significant populations of resettled;

IR2: Improved health status in areas covered by PVO partner and other donor programs;

IR3: Rehabilitation of war victims (vulnerable groups).

Strategic Objective #2

IR1: Reconciliation opportunities among diverse groups of Angolans emerge;

IR2: Citizens exercise their democratic rights and responsibilities;

IR3: Facilitate accountable governance within parliament and three key provincial administrations;

IR4: Strengthen the foundations for citizens and political parties to participate in free, fair, and peaceful parliamentary elections.

Special Objective # 1

IR1: Commitment to economic reform forged.

The proposed changes were developed in close dialogue with both our Angolan and U.S. partners. They are evolutionary changes which tighten the focus of the program and concentrate resources in order to maximize impact. The critical assumptions and development hypothesis accurately reflect the risks involved. The results to be achieved under the SOs is within the manageable interests of the Mission and obtainable within the time frame of the proposed Results Framework. Further we are confident the program will achieve people level impact while helping to build the foundation needed for national development. Thus we urge that USAID/Washington promptly approve the Results Framework to complete the Mission's management contract.

Part IV. Resource Request

A. Financial Plan

The budgets requested for FY-1997, FY-1998 and FY-1999 follow this narrative. As the Angola program is expected to be funded with both DA and ESF resources through FY-1998 and as we are requesting ESF funding in FY-1999, we have included a summary table that shows how the combined DA/ESF resources will be allocated among the program's strategic objectives.

Please note that we have followed the budget guidelines provided by the Bureau in the preparation of these tables. In doing so, we wish to draw your attention to what we consider to be a serious funding problem for this program this fiscal year. With the program receiving only \$5 million of the requested \$10 million in ESF and only \$11.5 million (less \$500,000 pay back for the Leyland initiative) in DA funding, our program this year is underfunded in both SO #1 and SO #2. Our mortgage amounts to \$13,009,105. Our pipeline is in all cases less than 18 months, and in most cases less than 12.

SO #1. We hope that 1997 will be the year for resettlement in the Angolan countryside: we expect to see the largest return of IDPs to date after the present rainy season ends. USAID/Angola has received grant proposals from several PVOs to continue their ongoing programs of resettlement and rehabilitation. Of the three major proposals which we have or expect to receive shortly, we have sufficient funding in our current OYB for only two. Africare and Food for the Hungry have submitted high quality and relevant proposals to work in resettlement, rehabilitation and agricultural development. We also need to fund a follow-on to the very successful Seeds of Freedom Project.

Failure to adequately fund these proposals will result in a reduction of the inducements USAID can offer to the IDPs to resettle from the urban areas where they are presently congregated to the depopulated rural areas. Without such inducements, the resettlement process will be slowed or flawed and will lead to other problems later on. Additional funding in FY 1998 will only partially offset the shortfall in funding experienced this year which may well cause one or more of our PVO partners to terminate their ongoing programs, or in the case of Food for the Hungry [FHI], to not be able to develop a viable program.

We request, at a minimum, an additional \$2.5 million in DA/ESF funding in FY 1997 to maintain our ongoing programs and add one new one (FHI) which we feel has excellent promise to further achievement of SO #1.

Program funding levels for FY 1998 at \$22.8 million are satisfactory. Of major concern is the firmness of the commitment for the proposed \$10 million ESF. In the event that ESF funds are not forthcoming, additional DA funding will be required to meet the performance targets described in the preceding section of this document. Please note that funding for SO #2 is expected to increase sharply in preparation for the elections expected that year.

For FY 1999, USAID Angola is requesting \$14 million in DA funding and \$5 million in ESF for a program total of \$19 million. The \$5 million requested in ESF is justified by the political importance of the national Parliamentary and Presidential elections scheduled in 1999 and 2000 respectively. As funding for SO #2 continues to increase, funding for SO #1 resettlement and rehabilitation activities begins to decrease based on the expectation that many of the IDPs will have returned by 1999. We expect that most of those resettling late will be families who first moved to an interim location and now are prepared to move to their community of origin.

Table 4.1 Program Resource Table

Use	Funding Source	FY-1997	FY-1998	FY-1999
S.O.#1: Increased Resettlement, Rehabilitation and Food Self Reliance of War-Affected Angolan Communities.				
	DA/DFA	8,700	10,600	9,000
	ESF	5,000	4,200	0
	Total	13,700	14,800	9,000
S.O.#2: Increased National Reconciliation through Strengthened Civil Society and Political Institutions.				
	DA/DFA	2,800	2,200	3,000
	ESF	0	4,800	3,000
	Total	2,800	7,000	6,000
Sp.O. #1: Facilitated Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs.				
	DA/DFA	0	0	2,000
	ESF	0	1,000	2,000
	Total	0	1,000	4,000
Program Total		16,500	22,800	19,000
DA/DFA Total		11,500	12,800	14,000
ESF Total		5,000	10,000	5,000

Program Budget Request Tables (3 tables - FY97, FY98, and FY99)
Global Field Support Table (1 table)

B. Prioritization of Objectives.

The USAID/Angola program is transitional - moving from emergency relief to building a foundation for sustainable development. As such, the highest priority is SO #1 "Increased Resettlement, Rehabilitation and Food Self-Reliance of War Affected Communities." If and when necessary, the Mission will reduce funding in SO #2 and SPO #1 to a minimum in order to keep the critical SO #1 activities going. In doing so we recognize that allocating resources in such a manner may slow a number of DG activities that in the long term are essential for deepening and solidifying the fragile peace that exists today in Angola.

The lowest priority in the program is our limited objective related to furthering economic reform. This consideration is not based on any absence of need for economic reform, but rather on the fact that the World Bank and the IMF will continue to pursue this objective vigorously and on the fact that limited results have been achieved to date. Another consideration is that the funding obligated in late FY 1996 will carry the effort until such time as the outlook is more positive. This low ranking may change in the short to medium term: if the GRA shows signs of a serious commitment to reform, our support to this process will have a higher priority.

Within Strategic Objective #1, USAID/Angola gives priority to community resettlement activities over investments to rehabilitate the unfortunate victims of war, the children of war, landmine victims and child soldiers. While fully aware of the plight of these victims of war, we would direct our funding to the more productive resettling families and hope that international humanitarian and charitable organizations would continue to finance programs targeting these victims of war. In that regard, we welcome any additional financing for such activities that may be forthcoming from the Global Bureau funds for Children of War and Victims of War.

Within Strategic Objective #2, we give priority to our ongoing programs in strengthening political institutions and civil society. Should our overall funding levels be reduced (i.e., a reduction in either the proposed DA or ESF levels), we would not commence our planned new initiative for election assistance. Given the importance of the planned elections starting in 1998, we are reasonably certain that other international donors will provide election assistance. [The French and the EU are considering such assistance.] Should budgets be cut even further or should no ESF resources be available in FY 1998 and FY 1999, the Mission will curtail its assistance to political institutions and concentrate its resources on civil society institutions in the hopes that eventually such organizations would provide the type of national leadership required to govern the country democratically in the next century.

C. Linkage of Development Food Aid and Field Support

BHR and Global (G) field support are integrated within the Mission's two SOs and Special Objective. BHR emergency resources are an essential element of the Mission's work

under SO #1, targeting 811,000 of the 1.2 million IDPs. Although Title II in Angola is an emergency program [and we do not intend to move into development food aid], Title II emergency food is critical to our meeting our defined program objectives over the next several years. Title II resources are feeding the IDPs: 300,000 persons per month are still benefiting [down from a high of 800,000 per month in 1994.] Title II resources are reducing malnutrition within the country. BHR/OFDA resources were utilized to mount vaccination campaigns to fight disease, a side effect of the food and social emergency. In areas where the campaigns were mounted, global vaccination coverage increased sharply. As for the future, Title II resources will play a key role in resettling the IDPs through funding essential social and economic infrastructure, and encouraging the adoption of new crop varieties suitable to growing conditions in Angola. Title II food also will assist importantly in the demobilization of the 100,000 troops, including the nearly 40,000 that are presently quartered.

For their part, G Bureau resources will address the special needs of the war-affected, including:

[a] the Children of War numbering more than 1.4 million;

[b] the 4,300 underage troops that remain to be demobilized; and,

[c] the war-disabled -- the 70,000 amputees.

These resources will be utilized to:

[a] train 4,000 adults to assist 320,000 traumatized children;

[b] reunite the Children of War with their families [275 children were reunited with their parents or placed with foster parents in 1996];

[c] permit the continued demobilization of underage soldiers [of which 1149 were demobilized and transported last year]; and,

[d] enable the country to produce some 3,100 additional prosthetic devices annually.

In addition, the specialized assistance of G's D/G Center will be utilized to support development of the country's constitution and to provide for election support, both key nation-building activities for this war-torn country. Finally, G is providing technical support to help liberalize Angola's statist economy.

D. Workforce and Operating Expenses

Following this narrative are Workforce tables as requested for FYs 1997, 1998 and 1999. While there seems to be general agreement that the currently authorized workforce levels are inadequate compared to the work requirements of starting a new program and

opening a new office, there seems to be little relief. We have complied with the guidance and requested an increase in workforce levels by three local-hire FSN personnel in FY 1999. However, we urgently need those three personnel beginning in the current fiscal year, FY 1997. The three include a secretary (program funded), without whom it will be nearly impossible to properly manage the administration of program activities and design the proposed election support program. An additional driver (OE funded) is required to provide a driver for an OE-funded vehicle; without this driver, transportation and vehicle maintenance requirements cannot be met and personnel security cannot be assured. Finally, a general services assistant (OE-funded), is urgently required to provide the full range of general services support required by the Mission, without which proper accountability for property cannot be assured and personnel support functions will be inadequate.

The USAID/Angola OE budget is in general higher than might be expected for a small Mission. However, the costs of all goods and services in Angola are extremely high, and continuing dollar inflation may well drive costs even higher.

Our total FY 1997 OE operating level is approximately \$195,000 above our current budget allowance. The reason for this increase is that we anticipate that IG/SEC will require us to find and lease new office space to replace current offices that are deemed inadequate by IG/SEC for security reasons. This increase includes the anticipated cost of leasing, renovating, and moving to a new facility. If the requirement to find a new office facility were not a requirement, we would be within our FY 1997 budget allowance.

In FY 1998, we are approximately \$120,000 above our FY 1997 approved level. This increase is a result of anticipated higher rental cost for office space (see above) plus required direct cost reimbursements under ICASS. These increases are essential to meet office security requirements and to meet our obligations under ICASS. These factors will continue to influence an increase above the approved level in FY 1999, with the addition of post assignment costs which have a large impact in a small Mission's budget.

Attached are tables concerning workforce and operating expense budgets.

Lotus files:

wf-21654-wk4

fn-21654.wk4

oe-21654.wk4

E. Environmental Compliance

USAID/Angola continues to comply fully with the environmental regulations specified in 22 CFR Part 216. In FY 1996, USAID/Angola prepared a number of Initial Environmental Examinations. We continue to receive excellent support from the new AFR Bureau Environmental Officer, Mr Carl Gallegos, in the drafting and review of program documentation dealing with environmental concerns. No significant issues or problems are anticipated with 22 CFR Part 216 compliance.

SO #2 and SPO #1 activities have thus far received categorical exclusions as they are essentially technical assistance activities dealing with political and government institutions, NGOs and macroeconomic policies. We are providing technical assistance for the private sector management of the Luanda Water and Sanitation utility. Environmental guidelines applicable to large scale water and sanitation activities have been transmitted to the Contractor and USAID will monitor compliance. While our limited technical assistance will probably not have a major impact, the activity coupled with a large follow-on investment from the World Bank should eventually improve a rather deplorable water and sanitation situation from the environmental perspective [to say nothing of the child-survival impact.]

SO #1 activities have the potential to have greater environmental impact and we have taken several measures to insure no adverse environmental impacts result from program activities. First, we have provided guidelines prepared by the AFR Bureau to partner PVOs for planning small scale community activities frequently undertaken as FFW activities such as well and water point development and rehabilitation, latrine construction, restoration of irrigation systems, et cetera. Second, we have required that road and bridge rehabilitation be done only on existing alignments.

A number of the activities included as part of SO #1 are expected to have very favorable environmental outcomes. Two examples are the agricultural extension programs of partner PVOs which encourage erosion control by planting on the contours of the fields, and teaching farmers to turn crop residues back into the soil rather than burning them.

USAID expects to prepare additional IEEs in FYs 1997 and 1998 for resettlement and rehabilitation programs involving AFRICARE, FHI, and the Seeds of Freedom program, as well as for a number of DG activities. USAID/Angola will continue to rely on the AFR Bureau Environmental Officer to insure compliance with 22 CFR Part 216.

Part V. Issues for USAID/Washington Consideration

In the Washington review of this document, USAID/Angola is requesting the following decisions to be made on the following items.

1. Review and approve the proposed re-formulations of the Program's Strategic and Special Objectives.
2. Review and approve the Results Framework with the understanding that the Mission will continue to work with its PVO partners to develop more fully the indicators associated with the Results Framework.
3. After deduction of \$500,000 to be repaid to the Leyland initiative, USAID/Angola's OYB is \$11 million. Given the importance of maintaining the momentum of our resettlement and rehabilitation programs and the expected increase in resettlement likely to take place later in 1997, USAID/Angola requests an additional \$2 million to fund pending and expected proposals being submitted by our PVO partners.
4. In recognition of the heavy workload involved in the development, management and implementation of the program, the Mission requests that its workforce ceiling be increased starting in FY 1998 to 16 positions.
5. Controller support to USAID/Angola is currently being provided by RCSA/Gaborone and contracting support provided by USAID/South Africa. The Mission believes that providing such support from a single location would be more effective.

Annex I - Acronyms

ACF	Action Against Hunger
AFR	Africa Bureau
AFR/SA	AFR/Southern Africa
BBC	British Broadcasting Corporation
BHR	Bureau of Humanitarian Response
CCF	Christian Children Fund
CFR	Combined Federal Register
CMAO	U.N.'s Central Mines Action Office
CRS	Catholic Relief Services
CSO	Civil Society Organization
DA	Development Assistance
DG	Democracy and Governance
EPI	Extended Program of Immunization
ESF	Economic Support Fund
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FAA	Angolan Armed Forces
FFP	Food for Peace
FFW	Food for Work
FHI	Food for the Hungry
FNLA	National Front for the Liberation of Angola
FY	Fiscal Year
GDP	Gross Domestic Product
GRA	Government of the Republic of Angola
GURN	Government of National Unity and Reconciliation
ICRC	International Committee of the Red Cross
IDP	Internally Displaced Person
IEE	Initial Environmental Examination
IFI	International Financial Institution
IITA	International Institute for Tropical Agriculture
IMF	International Monetary Fund
INAROE	National Institute for Removal of UXO
IR	Intermediate Results
IRI	International Republican Institute
LWF	Lutheran World Federation
MT	Metric Ton
MINARS	Ministry of Rehabilitation and Social Reinsertion
MPLA	Popular Movement for the Liberation of Angola
NDI	National Democratic Institute
NGO	Nongovernmental Organization
OE	Operating Expenses
OFDA	Office of Foreign Disaster Assistance
OTI	Office of Transition Initiatives

OYB	Operating Year Budget
PACT	Private Agencies Collaborating Together
PFP	Policy Framework Paper
PRM	State's Bureau of Population, Refugees and Migration
PVO	Private Voluntary Organization
R4	Results Review and Resource Request
SCF/US	Save the Children Federation/US
SCF/UK	Save the Children Fund/UK
SO	Strategic Objective
SPO	Special Objective
SWAPO	South West African People's Organization
UCAH	U.N. Humanitarian Assistance Coordination Unit
UNAVEM	U.N. Verification Mission in Angola
UNHCR	U.N. High Commissioner for Refugees
UNICEF	U.N. Children's Fund
UNITA	National Unity for the Total Independence of Angola
U.N.	United Nations
U.S.	United States
USAID	U.S. Agency for International Development
USIA	U.S. Information Agency
USG	U.S. Government
UXO	Unexploded Ordinance
VOA	Voice of America
VORGAN	Voice of Resistance of the Black Cockerel (UNITA Radio)
VVAF	Vietnam Veterans of America Foundation
WFP	The U.N.'s World Food Program
WVRD	World Vision Relief and Development